TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE Transcriber's Office

April 10, 2000 LB 946, 1279

counted Social Security income. At the time that was adopted, we thought, at least the people who supported the bill, thought Social Security income included a variety of forms of Social The Department of Revenue interpreted it otherwise Security. and we have an anomaly in our homestead statutes. But to do what Senator Hilgert would suggest to you would only increase the anomaly that we would have in the homestead statutes, and I cannot recommend his solution to you. And, in fact, there was a bill that was introduced in the Revenue Committee this year to It didn't do what Senator Hilgert would address this issue. have wanted us to do, but if you want to examine the record on that bill, that was LB 946, and it is sitting on General File. And I think that perhaps what I should do is, if we... I should have pushed harder to bring that bill to the front, but I didn't think there was any urgency in dealing with the particular issue I may have been wrong about that, given Senator Hilgert's second attempt to change the homestead exemptions. But let me explain to you what happened in that particular instance. Several years ago we brought to you a bill that said we need to consider all kinds of receipts that go into a household to determine whether or not they should be eligible for the homestead exemption. We had been, prior to that time, basically only counting earned income and a few other kinds of And Senator Kristensen, earlier today, was quite income. correct when he said that we had persons living in very, very expensive homes and they were eligible for the homestead exemption. They were eligible for the homestead exemption because they had tax-exempt interest. We weren't counting it. Well, those dollars that came into the home as tax-exempt interest and through a variety of other sources, quite frankly, were still dollars into the home, dollars that could be used to support the daily expenditures or dollars, yes, yes, dollars could be used to pay the property tax on the home. we suggested to you that we unify that system and that we count the dollars that come into the home and determine, based on those dollars, whether or not the person should be eligible for the homestead exemption. When we did that, we substantially increased the income limitations so that those additional dollars that we were going to count didn't necessarily disqualify a lot of persons. In fact, it turned out to be an expansion of the program, at least that's my recollection of it. Well, the Department of Revenue, as I've noted, didn't include